



Local Programs Procedures

LPP 95-06 Flexible Congestion Relief (FCR) and Traffic Management (TSM) Project Funding System

References: Financial Guidelines for Local Agency Reimbursement, adopted by the California Transportation Commission (CTC) June-20, 1991.

TSM Guidelines, as amended by CTC March 31, 1993.

1995 TSM Plan, submitted to CTC December 1, 1994.

Effective Date: June 16, 1995

Approved: ***Original Signed By***
Chief, Office of Local Programs

As you are all aware, there is a shortage of funds in the State Highway Account (SHA). As a result, Caltrans has changed the procedures for FCR and TSM funding. This LPP outlines the new procedures to be followed by local agencies that are sponsoring FCR and TSM projects. The most important change is that all local sponsored FCR and TSM projects with construction cost greater than \$300,000, not yet voted by the CTC, will now be federal-aid projects with state FCR and TSM funds providing the match. These new procedures will be explained in greater detail in the FCR and TSM guidelines portion of the new Local Programs Manual (LPM).

EXISTING PROCEDURES

The Financial Guidelines for Local Agency Reimbursement, page 5, states: "...Projects off the state highway system should be proposed under the assumption that they will be funded with state and local funds only. This policy is subject to change if state revenues decline..." The current shortage of funds in the SHA requires a change in this policy.

NEW PROCEDURES

Since the programmed projects for FCR and TSM and the other programs far exceed the available state funds, it was decided that all local sponsored FCR and TSM projects with construction cost greater than \$300,000, not yet voted by the CTC, should be federal-aid funded

LPP 95-06

Flexible Congestion Relief (FCR) and Traffic System Management (TSM) Project Funding

Page 2

with state FCR and TSM funds providing the match. Federal funds will be provided from the state's apportionment and will not affect the RTPA's annual federal-aid apportionment.

New rules:

- TSM/FCR projects with construction costs of \$300,000 or less will be funded with state only funds. Local agencies shall follow the old procedures.
- TSM/FCR projects with construction costs between \$300,000 and \$1,000,000 will be federalized with respect to construction and right-of-way costs. Preliminary Engineering (PE) will be funded with state-only funds. Local agencies shall follow the old procedures for PE.
- TSM/FCR projects with construction costs of \$1,000,000 and over will be federalized with respect to PE as well as construction and right-of-way costs.

Federal-aid FCR and TSM projects will have to be approved by the Federal Highway Administration (FHWA) and placed in the Federal Statewide Transportation Improvement Program (FSTIP). Agencies having one or more federal-aid TSM projects listed in the "1995 TSM Plan" (that are prioritized 75 or above) or federal-aid FCR projects listed in the "1995 Allocation Plan" for STIP Projects should contact their Metropolitan Planning Organization (MPO) or Regional Transportation Planning Agency (RTPA) to request that their project be added to the FSTIP. Once the project, or phase, is listed, agencies should follow Procedures For FCR and TSM Projects Following FSTIP Approval by FHWA, attached.

Agencies that feel they have justifiable reasons why their FCR or TSM project (or project phase) should be state-only funded, may request an exception. Requests for state-only funding should be addressed to Bart Gauger, Program Manager of Caltrans Transportation Programming. They should be submitted via the Caltrans District Local Assistance Engineer (DLAE).

Exception requests should include all the project information from the "1995 TSM Plan" or "1995 Allocation Plan" for FCR - STIP projects. In addition, answer the following questions when submitting a request:

- Are there other funds being used on the project besides FCR or TSM? Give details.
- Will the need for NEPA clearance cause unacceptable delay? Why?
- Has the right-of-way property already been acquired outside Federal Uniform Act procedures?
- Has PE work already started in accordance with CTC Financial Guidelines?
- Are there any other specific reasons why federal funding would not be feasible?

Attachment